

environment dealing with the forests in the Pacific Northwest which will cause us all kinds of legal problems and headaches. I hope that can be modified as well.

But I accepted some cuts in every—I think we're going to have to look at everything for cuts, but what I asked was that we not cut below what the Senate did. And what happened was, they cut below what the Senate did to stick in a bunch of pork projects. And that wasn't right.

And I want to say this: To the people of Oklahoma and California and Louisiana and the other States who need the emergency aid, they can get that aid today, they can get that aid tomorrow with more deficit reduction than is in this bill that came out of the conference

if the Congress will just take out the pork and put back the people.

*Secretary of Commerce Ronald H. Brown*

*Q.* Can I ask you one question on Secretary Brown? Are you concerned, sir, that the investigation of Secretary Brown and other Cabinet officials is giving at least a perception they haven't lived up to—

*The President.* Read what the Attorney General's referral said, and I think you will see why I asked him to stay on.

NOTE: The President spoke at 2:22 p.m. in the Oval Office at the White House, prior to a meeting with congressional leaders. A tape was not available for verification of the content of these remarks.

## Message to the Congress Reporting on the National Emergency With Respect to Iran *May 18, 1995*

*To the Congress of the United States:*

I hereby report to the Congress on developments since the last Presidential report on November 18, 1994, concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 of November 14, 1979, and matters relating to Executive Order No. 12613 of October 29, 1987. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c). This report covers events through April 18, 1995. It discusses only matters concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 and matters relating to Executive Order No. 12613. Matters relating to the March 15, 1995, Executive Order regarding a ban on investment in the petroleum sector, and the May 6, 1995, Executive Order regarding new trade sanctions, will be covered in separate reports. My last report, dated November 18, 1994, covered events through October 18, 1994.

1. There have been no amendments to the Iranian Transactions Regulations, 31 CFR Part

560, or to the Iranian Assets Control Regulations, 31 CFR Part 535, since the last report.

2. The Office of Foreign Assets Control ("OFAC") of the Department of the Treasury continues to process applications for import licenses under the Iranian Transactions Regulations. However, a substantial majority of such applications are determined to be ineligible for licensing and, consequently, are denied.

During the reporting period, the U.S. Customs Service has continued to effect numerous seizures of Iranian-origin merchandise, primarily carpets, for violation of the import prohibitions of the Iranian Transactions Regulations. OFAC and Customs Service investigations of these violations have resulted in forfeiture actions and the imposition of civil monetary penalties. Additional forfeiture and civil penalty actions are under review.

3. The Iran-United States Claims Tribunal (the "Tribunal"), established at The Hague pursuant to the Algiers Accords, continues to make progress in arbitrating the claims before it. However, since my last report, the Tribunal has not rendered any awards although payments were received by claimants in late November for awards rendered during the prior reporting pe-

riod. Thus, the total number of awards remains at 557. Of this total, 373 have been awards in favor of American claimants. Two hundred twenty-five (225) of these were awards on agreed terms, authorizing and approving payment of settlements negotiated by the parties, and 150 were decisions adjudicated on the merits. The Tribunal has issued 38 decisions dismissing claims on the merits and 85 decisions dismissing claims for jurisdictional reasons. Of the 59 remaining awards, three approved the withdrawal of cases and 56 were in favor of Iranian claimants. As of April 18, 1995, the Federal Reserve Bank of New York reported that the value of awards to successful American claimants from the Security Account held by the NV Settlement Bank stood at \$2,365,160,410.39.

Iran has not replenished the Security Account since October 8, 1992, and the Account has remained continuously below the balance of \$500 million required by the Algiers Accords since November 5, 1992. As of April 10, 1995, the total amount in the Security Account was \$191,219,759.23, and the total amount in the Interest Account was \$24,959,218.79.

The United States continues to pursue Case A/28, filed in September 1993, to require Iran to meet its obligations under the Algiers Accords to replenish the Security Account. Iran has yet to file its Statement of Defense in that case.

4. The Department of State continues to present United States Government claims against Iran, in coordination with concerned government agencies, and to respond to claims brought against the United States by Iran.

On April 18, 1995, the United States filed the first of two parts of its consolidated submission on the merits in Case B/61. Case B/61 involves a claim by Iran for compensation with respect to primarily military equipment that Iran alleges it did not receive. The equipment was purchased pursuant to commercial contracts with more than 50 private American companies. Iran alleges that it suffered direct losses and consequential damages in excess of \$2 billion in total because of the U.S. Government's refusal to allow the export of the equipment after January 19, 1981, in alleged contravention of the Algiers Accords. As directed by the Tribunal, the United States' submission addresses Iran's claims regarding both liability and compensation and damages.

5. The Foreign Claims Settlement Commission ("FCSC") on February 24, 1995, successfully completed its case-by-case review of the more than 3,000 so-called "small claims" against Iran arising out of the 1979 Islamic revolution. These "small claims" (of \$250,000 or less each) were originally filed before the Iran-United States Claims Tribunal, but were transferred to the FCSC pursuant to the May 13, 1990 Settlement Agreement between Iran and the United States.

The FCSC issued decisions on 3,066 claims for total awards of \$86,555,795. Of that amount, \$41,570,936 represented awards of principal and \$44,984,859 represented awards of interest. Although originally only \$50 million were available to pay these awards, the funds earned approximately \$9 million in interest over time, for a total settlement fund of more than \$59 million. Thus, all awardees will receive full payment on the principal amounts of their awards, with interest awards paid on a pro rata basis.

The FCSC's awards to individuals and corporations covered claims for both real and personal property seized by Iran. In addition, many claims arose out of commercial transactions, including contracts for the sale of goods and contracts for the supply of services such as teaching, medical treatment, data processing, and shipping. The FCSC is now working with the Department of the Treasury to facilitate final payment on all FCSC awards.

6. The situation reviewed above continues to implicate important diplomatic, financial, and legal interests of the United States and its nationals and presents an unusual challenge to the national security and foreign policy of the United States. The Iranian Assets Control Regulations issued pursuant to Executive Order No. 12170 continue to play an important role in structuring our relationship with Iran and in enabling the United States to implement properly the Algiers Accords. Similarly, the Iranian Transactions Regulations issued pursuant to Executive Order No. 12613 continue to advance important objectives in combating international terrorism. I shall continue to exercise the powers at my disposal to deal with these problems and will continue to report periodically to the Congress on significant developments.

WILLIAM J. CLINTON

The White House,  
May 18, 1995.

## Message to the Congress Reporting on the National Emergency With Respect to Proliferation of Weapons of Mass Destruction *May 18, 1995*

*To the Congress of the United States:*

On November 14, 1994, in light of the dangers of the proliferation of nuclear, biological, and chemical weapons and their means of delivery ("weapons of mass destruction"), I issued Executive Order No. 12938 and declared a national emergency under the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*).

As I described in the report transmitting Executive Order No. 12938, the new Executive order consolidated the functions of and revoked Executive Order No. 12735 of November 16, 1990, which declared a national emergency with respect to the proliferation of chemical and biological weapons, and Executive Order No. 12930 of September 29, 1994, which declared a national emergency with respect to nuclear, biological, and chemical weapons, and their means of delivery. The new Executive order also expanded certain existing authorities in order to strengthen the U.S. ability to respond to proliferation problems.

The following report is made pursuant to section 204 of the International Emergency Economic Powers Act and section 401(c) of the National Emergencies Act regarding activities taken and money spent pursuant to the emergency declaration. Additional information on nuclear, missile, and/or chemical and biological weapons (CBW) nonproliferation efforts is contained in the annual report on the proliferation of missiles and essential components of nuclear, biological, and chemical weapons, provided to the Congress pursuant to section 1097 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190), also known as the "Nonproliferation Report," and the annual report provided to the Congress pursuant to section 308 of the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (Public Law 102-182).

The three export control regulations issued under the Enhanced Proliferation Control Initiative (EPCI) are fully in force and continue to be used to control the export of items with potential use in chemical or biological weapons

or unmanned delivery systems for weapons of mass destruction.

In the 6 months since I issued Executive Order No. 12938, the number of countries that have ratified the Chemical Weapons Convention (CWC) has reached 27 (out of 159 signatory countries). I am urging the Senate to give its advice and consent to ratification as soon as possible. The CWC is a critical element of U.S. nonproliferation policy that will significantly enhance our security and that of our friends and allies. I believe that U.S. ratification will help to encourage the ratification process in other countries and, ultimately, the CWC's entry into force.

The United States actively participates in the CWC Preparatory Commission in The Hague, the deliberative body drafting administrative and implementing procedures for the CWC. Last month, this body accepted the U.S. offer of an information management system for the future Organization for the Prohibition of Chemical Weapons that will implement the CWC. The United States also is playing a leading role in developing a training program for international inspectors.

The United States strongly supports international efforts to strengthen the 1972 Biological and Toxin Weapons Convention (BWC). In January 1995, the Ad Hoc Group mandated by the September 1994 BWC Special Conference to draft a legally binding instrument to strengthen the effectiveness and improve the implementation of the BWC held its first meeting. The Group agreed on a program of work and schedule of substantive meetings, the first of which will occur in July 1995. The United States is pressing for completion of the Ad Hoc Group's work and consideration of the legally binding instrument by the next BWC Review Conference in 1996.

The United States maintained its active participation in the 29-member Australia Group (AG), which now includes the Czech Republic, Poland, Slovakia, and Romania. The AG reaffirmed in December the member's collective belief that full adherence to the CWC and the BWC provides the only means to achieve a per-